COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A JOINT APPLICATION OF THE CITY OF
PADUCAH, BY AND THROUGH THE PADUCAH
WATER WORKS AND THE LONE OAK WATER
DISTRICT THAT THE PUBLIC SERVICE
COMMISSION APPROVE THE TRANSFER OF THE
ASSETS OF LONE OAK WATER DISTRICT TO
THE CITY OF PADUCAH

CONTROL OF THE CITY OF THE CITY OF THE CITY OF PADUCAH

ORDER

On March 11, 1988, the City of Paducah ("Paducah") and the Lone Oak Water District ("Lone Oak") filed a Joint Application for the transfer of Lone Oak to Paducah.

Paducah currently owns and operates a municipal water works through its Water Works Commission. An agreement with Lone Oak, executed on March 3, 1987, provides for the transfer of the assets, ownership, and operation of Lone Oak to Paducah.

After a review of the record, the Commission finds that the transfer is beneficial to the customers involved. The rates will be those currently charged by Paducah. Paducah will continue to use Lone Oak's full time employees, which will help ensure satisfactory operation of the system. Paducah has the requisite managerial, financial and technical ability to operate the water system.

IT IS ORDERED that the transfer of Lone Oak to Paducah is approved.

IT IS FURTHER ORDERED that Lone Oak file its 1987 Annual Report.

Done at Frankfort, Kentucky, this 2nd day of May, 1988.

PUBLIC SERVICE COMMISSION

Chairman

Robert M. Dawn

Vice Chairman

Commissioner Williams

ATTEST:

Executive Director